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SUMMARY RECORD OF THE 5th MEETING

Chairman: Mr. MONGBE (Benin)

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The meeting was called to order at 10.15 a.m.

GENERAL DEBATE (continued)

1. Mr. LAMAMRA (Algeria) said that his delegation unreservedly endorsed the statement by the Chairman of the Group of 77. Despite the hopes that had been aroused by the end of the cold war, the economic relations between the developed and developing countries were still characterized by inequalities and imbalances which, combined with the prolonged recession in the developed countries and the uncertainties arising from the changes that had taken place in the international system, exacerbated the difficulties faced by the developing countries, particularly those in Africa.

2. The external debt burden of the developing countries was steadily increasing and the ratios between debt and gross national product (GNP) or exports were highest in Africa. Debt servicing constituted a serious obstacle to growth and development in third world countries, since it absorbed a significant portion of the limited domestic and external resources of the debtor countries. Given the fact that they were selective, partial and ad hoc, recent initiatives aimed at debt alleviation or conversion had had only limited success. It was therefore essential and urgent that the external debt problem should be addressed within the framework of a global initiative, so that available resources and liquidity could be used to promote economic recovery and growth.

3. Despite the positive balance recorded in the previous two years, the transfer of resources had been unequally distributed. Developing countries as a whole, particularly those in Africa, had not benefited and future trends in distribution remained uncertain. The international financial and monetary system would benefit from greater stability and streamlining in order to attract more significant amounts of capital and direct investments. For their part, the developed countries should make the necessary efforts to promote adequate resource flows and to increase their official development assistance to the internationally agreed level of 0.7 per cent of GNP. In that connection, he fully endorsed the Secretary-General's proposal regarding the convening of an international conference on the financing of development.

4. The instability of international trade underscored the increasing marginalization of the developing countries, which was a consequence both of the steady decline in commodity prices and the severe restrictions placed on access to the markets of the developed countries. The measures which had been agreed upon at the eighth session of the United Nations Conference on Trade and Development (UNCTAD) should therefore be implemented as a matter of priority and emphasis should be placed on the establishment of an international trading system that was regulated, transparent and non-discriminatory. Every effort should be made to achieve as early as possible a balanced and equitable conclusion to the Uruguay Round of multilateral trade negotiations. Steps should also be taken to promote the consultations agreed upon at Cartagena concerning the possibility of convening an international conference on commodities, which could provide an opportunity for producer and consumer countries to devise practical mechanisms to set more remunerative prices for commodities and regulate the orderly evolution of prices.

(Mr. Lamamra, Algeria)

5. Foremost among the commitments undertaken in Agenda 21 was the transfer of additional resources and technologies to developing countries. The establishment of the Commission on Sustainable Development, and the preparation of the Global Conference on the Sustainable Development of Small Island Developing States were clear indications that qualitative progress was being made. Those achievements should be consolidated with the conclusion, within the time-limit set by the General Assembly, of an international convention to combat desertification in those countries experiencing serious drought and/or desertification, particularly in Africa. Negotiations should also continue on the restructuring of the Global Environment Facility in order to transform it into an institution which would ensure the full and unrestricted participation of all developing countries.

6. International economic problems could be resolved only through sincere cooperation and constructive dialogue based on interdependence, mutual interest and shared responsibility, since, by laying the foundations for joint methods for the regulation and functioning of the world economy, a collective effort of that nature could contribute to the emergence of a just and equitable international economic order. The agenda for development would be a necessary complement to the Agenda for Peace. Based on the objectives of the commitments set forth in various United Nations agreements, in particular, Agenda 21, and on the progress already made, the agenda for development should contain innovative proposals aimed at promoting an economic and social development that was equitably shared among all peoples.

7. Following the rapid and far-reaching upheavals and changes that had taken place in international relations, the Organization must adapt its structures and methods of operation. The process of the restructuring and revitalization of the economic, social and related sectors should be completed without delay, in accordance with General Assembly resolution 45/264, and adequate mechanisms must be put in place to ensure the sustained, predictable and guaranteed financing of operational activities for development. In order to ensure success, it was important to strengthen the role of the resident coordinators by focusing strictly on development objectives and by enhancing the effectiveness and complementarity of the efforts made on behalf of the host countries.

8. Now that a conceptual breakthrough had been achieved at the Vienna World Conference on Human Rights, which had finally seen the international community rally around the right to development, the time had come to embark on a collective endeavour whose full scope and thrust should reflect the will of the peoples of the United Nations to have recourse to international institutions to promote the economic and social progress of all peoples.

9. Mr. KEATING (New Zealand) said that, while peace, development and democracy were mutually reinforcing, discussions in the United Nations focused on each component separately, thus overlooking their linkages. The role of the United Nations in the economic, social and development sectors should be rethought; the prospects for reform in that area were greater than ever. The new possibilities for dialogue in the economic and development field should be turned to good use; to that end, the message by the Non-Aligned Movement to the seven major industrialized countries, entitled "An Invitation to Dialogue", proposed new terms based on mutual interest and shared responsibilities.

(Mr. Keating, New Zealand)

10. The United Nations was better equipped than the sectoral and non-universal organizations to provide a unique forum for discussions of the interlinkages between human aspirations for peace, respect for the individual, economic well-being and the preservation of a safe and clean environment. In the area of the environment, it was particularly well placed to take a leadership role in sectors where policies still remained to be defined.

11. In 1992, during its triennial review of operational activities, the Second Committee had re-examined the arrangements for providing development assistance in the field. It had made certain important changes which should be followed up, such as those relating to country strategy notes and the overall management process for the implementation of resolution 47/199. The agenda for development, to be defined by the Secretary-General, would undoubtedly provide an opportunity to discuss and refine the role of the United Nations in promoting sustainable development, in close cooperation with international financial and economic institutions.

12. The ultimate goal of the reform process was to make the best possible use of the Organization's resources. In the social and economic sectors, operations should be rationalized and efforts should be made to avoid duplication where other bodies were better equipped for certain debates and activities. Agreement was very close on a restructuring package which would significantly improve the modus operandi, particularly in the area of development policy formulation. New Zealand attached great importance to preparations for the Global Conference on the Sustainable Development of Small Island Developing States and to the work of the Conference on Straddling Fish Stocks and Highly Migratory Fish Stocks. In addition, on the subject of fishing, great vigilance must continue to be exercised regarding the implementation of resolutions on drift-net fishing.

13. New Zealand was strongly committed to the swift conclusion of the multilateral trade negotiations in the Uruguay Round, which, given the current gloomy world picture, was of critical importance to everyone. Many developing countries preferred trade to aid and, given the real economic difficulties experienced by donor countries, it could not be assumed that aid transfers were in themselves sufficient to promote rapid progress in sustainable human development. While many countries in Central Europe, Latin America, Asia and elsewhere, including New Zealand, had undertaken significant unilateral initiatives to reform, liberalize and stimulate their economies, it would be unfortunate if the fruits of those often hard-won economic reforms were not complemented by effective trade liberalization regulations. Since the Uruguay Round had been launched, many deadlines had come and gone, but the moment had come to choose between confrontation or cooperation in international trade. If the negotiations were not concluded by 15 December, there were grounds to believe that the package of measures, poorly assembled as it was, might fall apart and that the real opportunity which existed to strengthen the multilateral trading system and thus substantially boost the world economy would be lost. Furthermore, if the negotiations were to be successfully concluded, the package must be a substantial one covering all sectors, with agriculture as its cornerstone. It should be borne in mind, however, that all countries must be in a position to reap benefits from the agreement that would ultimately be concluded.

14. Mr. GONZALEZ (Chile) was convinced of the need to rationalize the work of the Second Committee, in terms of both form and substance. In order to respond to critics who deplored the stagnation of the Committee's work and to take better advantage of the time and resources at its disposal, it should consolidate consideration of several agenda items and update the agenda to take into account the new realities of the post-cold war era. In restructuring and revitalizing the organs of the United Nations, the example of modernization and efficiency offered by some countries, including Chile, should be followed. The restructuring in the economic, social and related fields was taking much longer than planned, but it should be possible to reach a consensus text before the end of the year, in the light of the decisions reached by the Economic and Social Council at its latest session. It was important, however, not to underestimate the complexity of the process, which accounted for the difficulties encountered, and it would be unwise to arrive at the next session of the Economic and Social Council without new attitudes and a new working method.

15. He warned that the possible failure of the Uruguay Round was cause for concern, since it would result in a resurgence of protectionism with incalculable consequences. The developing countries would be the ones to suffer the most from a trade war, which would nullify any prospects for the opening of markets. The sacrifices which had been made and the political costs incurred thus far would all have been in vain.

16. The notion that the fate of international trade could be linked to internal political vicissitudes and to the specific economic needs of certain minorities should be rejected. It was unacceptable that negotiations of the scope of the Uruguay Round should be deadlocked by the interplay of interests of a few thousand inefficient farmers, with a consequent recrudescence of problems for billions of people all over the world.

17. The changes in the world and the phenomenon of the globalization of the economy exposed all countries to a new dynamic of international relations which unmistakably indicated the emergence of a new understanding of politics and the advent of a coordinated approach to the solution of the increasingly severe problems facing the world. Those problems were universal and required collective solutions. Two such problems were unemployment and poverty, which were no longer the exclusive scourges of the developing world but increasingly affected the industrialized countries as well. At the Economic Summit of the seven major industrialized countries, held at Tokyo in 1993, the figure of 23 million unemployed in those countries had been cited; among job-creation measures, mention had been made of structural reforms to improve the efficiency of markets, especially labour markets. Emphasis at the Summit in Tokyo had also been placed on the need for a rapid reduction in international interest rates, for a prompt conclusion to the Uruguay Round, for a cut in subsidies and for efforts to enhance efficiency in financial markets. Those objectives were urgent, since unemployment could only exacerbate poverty and, if it continued to grow, the extensive social security systems of the industrialized countries would buckle under the burden of a growing number of requests for assistance.

18. Current problems could therefore only be solved through a revitalization of the economy, which was impossible without guaranteeing freedom of international trade. Only an increase in trade would make possible the progressive

(Mr. Gonzalez, Chile)

integration of the large numbers of impoverished people, in order to transform them into real consumers and thus revitalize the world economy. In order to meet the requirements of the population between 1993 and the end of the millennium, the developing world would, according to the United Nations Development Programme (UNDP), need to create 700 million new jobs in seven years. Development would be best promoted by the existence of fair, transparent, permanent and properly respected international trade regulations, as the developing countries incurred losses equivalent to ten times their total international development assistance (IDA) for the simple reason that the entry of their products into the markets of the industrialized countries was subject to arbitrary restrictions. He was convinced that the aspirations and goals set forth at the Economic Summit of the seven major industrialized countries and the aspirations of the developing countries in the economic field showed a remarkable similarity, which was bound to promote the implementation of joint action. It was there that the Second Committee had a special role to play.

19. Mr. WOON (Malaysia) said that the intense preoccupation of the United Nations with political and security issues ought not to imperil the economic agenda, since peace and prosperity were indivisible. Indeed, the debate on development issues was even more critical at a time when the cold war had ended and the global economy was stagnating. Except for a few developing countries in Eastern Asia which were experiencing a respectable growth rate, the future prospects of developing countries remained uncertain.

20. The notion of global economic management meant in effect that the global economic process was affected more by the decisions of the seven major industrialized countries than by those of the United Nations.

21. The United Nations could, however, play an important role in combating global economic stagnation by building consensus and expressing commitments. But such a consensus could produce results only if Governments, the Bretton Woods institutions and transnational corporations refrained from pursuing only their own objectives and priorities to the detriment of global interests.

22. The idea of macroeconomic policy coordination was also complicated, since the workings of the market were often distorted and disrupted and, in the absence of an effective mechanism for regulation and adjustment, a state of paralysis reigned.

23. The leaders of the major developed countries should endeavour to set their economies back on the path of growth by eliminating distortions, doing away with the costly subsidies through which they vainly attempted to protect their agricultural sector, expanding their public sector expenditure programmes on infrastructure and increasing their investments abroad. That would create employment and increase consumer spending. As UNCTAD had stated in its 1993 report, the willingness to make sacrifices and to take risks for long-term benefits was vital.

24. Given the importance of the economic agenda, the Uruguay Round should be concluded without any further delay and international economic cooperation should be redefined in more equitable and effective terms in the true spirit of global partnership.

(Mr. Woon, Malaysia)

25. Although the various meetings and conferences to follow up the United Nations Conference on Environment and Development (including the first substantive session of the Commission on Sustainable Development and the preparatory meeting for a Global Conference on the Sustainable Development of Small Island Developing States) were interesting initiatives, the commitments made by Heads of State or Government at the Rio Summit had still not yielded tangible results owing to a lack of resources. However, the creation by the Commission on Sustainable Development of ad hoc working groups on finance and technology, which would meet in February or March 1994, was a welcome exception.

26. A consensus should shortly be reached on the revitalization of the economic and social sectors of the United Nations; a strengthened structure, accompanied by increased resources, should increase the ability of United Nations funds and programmes to develop their operational activities. The strengthening of the coordinating function of the Economic and Social Council should further enhance the effectiveness of United Nations activities for development. He referred to the confusion that resulted from a multitude of bodies dealing with science and technology for development and the need to rationalize and coordinate their work.

27. Although the agenda for international development cooperation was expanding, the means of implementation were severely lacking, even in the case of such a positive initiative as the Global Environment Facility. It was a great pity that, because of a lack of resources, the various global initiatives in that field seemed doomed to failure.

28. Mr. DIMITROV (Bulgaria) said that his country supported the endeavours of the United Nations to seek a greater role in peace-keeping and to nationalize its social and economic sectors. Since its creation, the United Nations had been a unique international body, where all issues could be approached in an integrated manner. Its responsibilities and its role were therefore greater than ever at a time when the international community was faced with new opportunities, owing to the end of the cold war, but also with new challenges and threats.

29. The prospects for a more stable and just world depended to a large extent on the state of the world economy. As could be seen from the World Economic Survey, 1993, the current situation was hardly reassuring. Although some developing countries showed positive economic growth, the continued weakness of the industrially developed economies, the difficulties experienced by a large number of developing countries and the persisting negative trends in most of the economies in transition exerted a detrimental influence on the overall international economic environment.

30. In view of the poverty, underdevelopment, epidemics and famine which were rampant in many parts of the world, it was essential to define a new concept of development. The notion of sustainable development, incorporated in Agenda 21, was a step in the right direction; the World Summit for Social Development, as well as other forthcoming conferences such as the International Conference on Population and Development, should further contribute to that end. The debates on the agenda for development, to be submitted by the Secretary-General, should also advance the process. The successful conclusion of the multilateral trade

(Mr. Dimitrov, Bulgaria)

negotiations of the Uruguay Round was essential for the revitalization of international trade.

31. The successful integration of the countries in transition into the world economy, which should have a positive effect on world trade, economic growth and development, remained one of the main tasks of the current decade. While the prime responsibility for the reforms lay with the Governments and peoples of those countries, the complexity of the economic reforms and the restructuring showed that the international community would have to provide significant support. The United Nations and its specialized agencies should intensify their activities aimed at assisting the countries in transition: much remained to be done, in particular to strengthen cooperation between the United Nations and the international financial institutions.

32. Bulgaria attached great importance to its participation in multilateral economic cooperation, such as its free-trade agreement with the States members of the European Free Trade Area (EFTA), the recent agreement of association with the European Community and the current negotiations on association with the General Agreement on Tariffs and Trade (GATT).

33. The Bulgarian Government had already taken steps to bring the functioning of the economy and trade policy into line with the principles and rules of GATT. The process of privatization had started, but the country was still experiencing severe difficulties - a sudden drop in production, mounting unemployment, a sharp contraction of capital investment and internal demand, and a heavy foreign debt burden - resulting in part from the strict implementation of the economic sanctions imposed by the Security Council against the Federal Republic of Yugoslavia. As the President of the Republic of Bulgaria had pointed out in his address to the General Assembly, the embargo had closed Bulgaria's direct route to the markets of Western Europe and the country had consequently suffered enormous losses which jeopardized the democratic process and even social peace.

34. He therefore appealed to the United Nations and the multilateral financial institutions to take appropriate measures to ease Bulgaria's economic hardships. His delegation intended to introduce a specific proposal on the matter. It also declared its readiness to participate fully in the deliberations on all the items on the agenda.

35. Mr. LIL Zhoaxing (China) said that, while the prospects for peace were better of late, at the same time many contradictions were emerging that had long been hidden.

36. Although the cold war had ended, inequities and imbalances in the structure of the world economy were increasing and the gap between North and South was widening every day. While most developing countries continued to face tremendous difficulties, some developed countries had unfortunately decided to pursue more inward-looking policies and to adopt protectionist measures that were impeding the recovery of the world economy. That explained the current stalemate at the Uruguay Round of multilateral trade negotiations. Moreover, because of the decline in official development assistance (ODA) and the debt burden which continued to weigh heavily on low-income countries, the resources of the developing countries were shrinking. Furthermore, stringent conditions

(Mr. Lil Zhoaxing, China)

were frequently attached to development assistance; that constituted external intervention in the internal affairs of developing countries.

37. In the United Nations system, peace-keeping operations and the resources allocated to them had to a large extent eclipsed the silent crisis which affected the developing countries. Work towards the attainment of the goals set in Agenda 21 had hardly begun owing to the failure of States to fulfil their commitments with respect to financial resources and the transfer of technology. The new partnership for international development remained a dead letter.

38. Peace and development were closely linked: economic development was just as impossible without peace and stability as were peace and stability without economic development. The best route to economic revitalization lay in self-reliance. In that connection, it was encouraging to note that the developing countries were striving to restructure their economies, to create market economies, to open their markets and to improve the investment climate. Nevertheless, the globalization of the world economy and general economic interdependence made it impossible for a country to achieve prosperity on its own. A new international economic and political order, based on stability, justice and equality, was needed. The developed countries should adopt more enlightened policies, strengthen coordination of their macroeconomic policies and fulfil their commitments. That would help the developing countries to achieve their objectives and would at the same time constitute a long-term investment.

39. It was to be hoped that in his report on the agenda for development, the Secretary-General would take full account of current needs and put forward recommendations for the further implementation of the plans formulated by the United Nations in the development field, and that the debate on that report in the Second Committee during the current session would be lively and productive.

40. The United Nations should improve its policy coordination in the social and economic fields and increase its funding for operational activities since the shortage of financial resources reduced the role of the United Nations in the economic field and damaged its image.

41. There were more than one billion people living in poverty in the world, 630 million of whom lived in Asia, and the most urgent task was to meet their basic needs. As long as those people suffered from starvation, illiteracy and disease, talk of other rights, such as democracy and freedom, not to mention participation in development, would be meaningless.

42. It was essential to enhance the international community's awareness of those challenges if agreement was to be translated into action. It was to be hoped that, in preparing for the World Conference on Population and Development, to be held in Cairo in 1994, the issue of economic and social development would be addressed in its entirety and that the Commission on Sustainable Development would adopt action-oriented measures to increase financial resources and the transfer of technology so that international cooperation in the fields of environment and development would become a reality.

(Mr. Lil Zhoaxing, China)

43. The world was made up of more than 180 countries with different social systems, traditions, ideologies and religious beliefs. It was important to recognize the sovereignty of each of those countries to choose its own path to development and its own economic model, in accordance with the principles and purposes of the United Nations Charter. To impose a particular economic model or to use official development assistance as a means of leverage exerting pressure for political purposes would not only impede the efforts of States to achieve prosperity, but also harm the growth of the world economy.

44. With its economy currently in full expansion, China could feed a population which accounted for one fifth of the population of the planet and provide it with a decent standard of living. China was also trying to ensure continued economic growth through structural adjustment policies. Its economic strength, however, should not be overestimated: development remained uneven in many regions and the country's economic foundation was still weak. Decades of work would be necessary before China would become a developed country. With its political stability and its rapid economic growth, however, China stood ready to develop and strengthen its friendly cooperation with the other countries of the world and to contribute to the maintenance of peace and the promotion of global prosperity.

45. Mrs. AMERASEKARE (Sri Lanka) noted that recent changes in the global economic and political situation had created new opportunities for the international community. Global economic recovery, however, was not proceeding at a sufficiently rapid pace, the rate of growth of world output having increased only modestly from 0.5 per cent in 1991 to 1.75 per cent in 1992. For many developing countries, especially some African countries, the standard of living had continued to decline and, as UNDP indicated in its UNDP Human Development Report for 1993, almost one fifth of the world's population was living in poverty.

46. Since 1989, some developing countries had maintained economic growth rates of 3.5 per cent; that was encouraging, but it should be kept in mind that the economic level of those countries had been extremely weak at the outset. Economic problems were not confined to the South: while poverty was gaining ground in the developing countries, the industrialized countries were caught in the grip of rising unemployment.

47. Despite those continuing difficulties, recent economic and political changes offered hope for global economic growth, provided the world community pursued a cooperative growth strategy. The current difficulties owed much to the lack of appropriate macroeconomic policies that went beyond strictly national considerations. In order to put an end to continuing economic stagnation, further measures must be taken to expand international trade and take advantage of the new opportunities for cooperation for development. Sustainable development required all countries to combine their efforts and to work together. A new development compact between North and South was essential. A partnership between countries was vital if the international community was to build upon what had been achieved so far as a result of the Earth Summit held in 1992 and the World Summit for Children held in 1990.

(Mrs. Amerasekare, Sri Lanka)

48. The United Nations was currently preparing for a third summit, the 1995 World Summit for Social Development, the purpose of which was to prepare a plan of action for social development. Only through a cooperative strategy could the international community realize the objectives that it had set for itself. It must be understood that peace, security and prosperity were interdependent objectives and could be achieved only through a new partnership - a new development compact between the developed and the developing countries. The essential elements were human resources development, fiscal and trade policies conducive to international trade, structural adjustments and sustainable use of the earth's resources.

49. It was important to realize that resources were under unprecedented stress and that no target could be achieved unless human resources development was deliberately emphasized. The goal of the new development compact between the developed and the developing countries should be to allocate 20 per cent of ODA and 20 per cent of the budget of developing countries to human resources development.

50. The quality of life in some countries was high despite their low per capita income. Sri Lanka, which had only just attained a per capita income of US$ 470, had achieved high performance in the area of human resources development. The current trend towards reducing ODA to countries that had successful human resources development policies could adversely affect those countries, because they needed continued assistance in order to sustain their efforts.

51. Two fundamental requirements for achieving sustainable development in the developing world were capital and technology. Mr. Grant, the Executive Director of the United Nations Children's Fund, had recently stated that, to provide every man, woman and child with adequate food, clean water, primary health care and basic education by the year 2000, it would be necessary to spend an additional US$ 25 billion a year and to do so before population growth decreased the impact of the effort. The ODA requirement for sustainable development was estimated at US$ 125 billion a year, or more than double the 1993 ODA level.

52. One could not expect the substantial capital sums required for sustainable development to come only from ODA and domestic savings. They would have to be provided partly from international trade and private capital markets. It was essential for developed countries to follow policies that would facilitate the growth of international trade. Substantial sums were available in private capital markets, but developing countries did not have access to them owing to high interest rates and a lack of collateral. A collective guarantee by international donor countries and an interest subsidy would bring those funds within the reach of developing countries.

53. The United Nations had a vital role to play in promoting international cooperation to achieve sustainable development. For that reason, it should be strengthened, and its restructuring for efficiency and transparency was welcome.

54. In the view of her delegation, the agenda for development was as important as the Agenda for Peace, because peace and development were interdependent.

55. Mr. WISNUMURTI (Indonesia) said he would confine his remarks to certain points, since Indonesia's views had been duly expressed in the statement by the Chairman of the Group of 77.

56. The world economic situation had shown little or no improvement. In a climate of deep recession and stagnation, the economic performance of the rich countries had been generally poor. That poor performance had had severe consequences for most developing countries, especially those in Africa, which suffered from acute market constraints, declining prices for primary commodities and excessive debt burdens.

57. In his report on the work of the Organization, the Secretary-General had rightly stressed that economic development was multifaceted, involving political, social, educational and environmental dimensions, and that it therefore called for an integrated approach. Indonesia had always recognized that peace, security and stability were inextricably linked to economic well-being. There could be no development without democracy, and Indonesia had always targeted the development of the full human being. Its five-year development plans were always based on three complementary objectives: growth, stability and equity.

58. Nevertheless, democracy, like development, could be neither instantaneous nor artificially imposed from the outside. It must be achieved gradually and must take into account the norms and traditions of each country. Indonesia was therefore pleased that the agenda for development was aimed essentially at promoting international cooperation for development. That implied strengthening the role of the United Nations and reactivating the North-South dialogue.

59. He also stressed the importance of democratizing international economic relations at the global level or, in other words, eliminating the widening gap between the richest and the poorest countries. In an increasingly interdependent world, key problems had become complex, and it was necessary to address them comprehensively and globally. A piece-meal, unilateral or regional approach was inadequate. The only solution was international cooperation, and reactivating the North-South dialogue was imperative.

60. For that reason, the Non-Aligned Movement had developed a new approach to discussions with the North on key issues of development and international relations. The Chairman of the Non-Aligned Movement had invited the Chairman and leaders of the Group of Seven to engage in a dialogue with the countries of the South. At the Tokyo Economic Summit, the Group of Seven had responded positively, and the Chairmen of the Group of Seven and the Non-Aligned Movement had expressed their willingness to pursue a comprehensive approach to the issues of trade, investment and debt strategies. It was the duty of the Committee to consider that issue thoroughly so that it could take a position in favour of such dialogue. A draft resolution should be submitted to the General Assembly at its forty-eighth session, and all countries, both developed and developing, should unite behind that initiative. However, there was manifestly no spirit of cooperation on many important issues.

61. That spirit was particularly needed if the Uruguay Round of GATT was to be concluded successfully. A balanced conclusion implied that the interests of all

(Mr. Wisnumurti, Indonesia)

countries should be taken into account and, specifically, that every effort should be made to give developing countries greater access to international markets by checking protectionism. If the round failed, countries would be tempted to adopt unilateral, bilateral or regional solutions to trade problems.

62. For its part, Indonesia, like many developing countries, had unilaterally reduced many trade barriers and deregulated much of its economy in order to attract foreign investment and facilitate trade, unfortunately with no result. It therefore called on the major economic Powers of the North expeditiously to resolve their bilateral differences, which were largely responsible for the stalled round. The principle of special and differential treatment should be upheld. It was also necessary for the developed countries to keep the commitments they had made at the eighth session of UNCTAD.

63. A most disturbing question confronting the developing countries was that of excessive indebtedness. To solve the debt problem, the international community should continue to seek a coordinated approach, involving debtor and creditor countries as well as international financial institutions. The solution should be comprehensive, equitable and development-oriented. The Non-Aligned Movement considered it necessary to organize an international conference on the financing of development. For its part, Indonesia, as Chairman of the Movement, was planning to hold a meeting in the near future to find ways and means for resolving the debt problem, particularly of the least developed countries.

64. In a rapidly changing world, the restructuring of the United Nations in the economic and social fields was an urgent necessity. It was regrettable that the General Assembly had been unable to reach a consensus on the question at its forty-seventh session. Yet, the international community must persist in such efforts if the United Nations was to play its role as the central forum for promoting international cooperation. It was also important to maximize the effectiveness of operational activities for development, particularly in view of the dire need for technical assistance and the declining level of available resources. The international community must ensure a substantial increase in resources for operational activities on a predictable and continuous basis.

65. Another central component of development was that of population. Given the increase in the world's population, the forthcoming International Conference on Population and Development, to be held in Cairo, assumed even greater importance. The complex linkage between rapid population growth, poverty and environmental degradation was increasingly being recognized. At the Conference those problems could be addressed in an integrated manner. Indonesia attached great importance to the Conference, and, would hold a ministerial meeting on population and development in November 1993 in Bali.

66. Another important factor linked to development was that of environmental degradation. The euphoria attached to the adoption of Agenda 21 had quickly dissipated in the face of the shortage of financial and technological assistance. Indonesia welcomed the establishment of the two inter-sessional working groups to specifically address those two central questions.

67. All those problems had a common thread, namely, the indispensability, for their resolution, of international cooperation for development. The agenda for

(Mr. Wisnumurti, Indonesia)

development and the North-South dialogue should help chart the way forward for shaping a new world order and for achieving the goals of peace, development and democracy.

68. Mr. THAKUR (India) said that, as virtually all the preceding speakers had emphasized, the prospects for global economic recovery were uncertain. Those from whom the developing countries had expected support - through better terms of trade, investment, access to markets, access to technology on a non-discriminatory and preferred basis, and availability of concessional financing - appeared to be preoccupied with their own problems of unemployment, stagnation in investment, financial instability and trade disputes. They were also concentrating more and more on social issues, leaving development to the non-private sector. The developing countries had hoped that, with the end of the cold war, attention would be more effectively focused on development, and that resources would be released from the staggering expenditure on armaments and diverted to improving the social and economic situation of the vast majority of humankind. Economic, administrative and political reforms in the developing countries would not by themselves alter the picture. It could no longer be said that sustained underdevelopment was due to policies that did not allow market signals to operate and entrepreneurship to flourish. In fact, most developing countries had adopted reforms that allowed much greater freedom for the private sector; such reforms had made them even more dependent on the vagaries of the international economic environment. The Second Committee must address the question of whether adequate efforts were being made to minimize the impact of uncertainties on the increasingly open and vulnerable economies of the developing countries.

69. India, for its part, had undertaken far-reaching reforms which cut through various sectors of the economy and were oriented towards deregulation, privatization, liberalization and incentives for direct foreign investment. Those reforms had coincided with the negative impact of the economic transformations in some of its main trading partners. However, it had managed to contain inflation, while at the same time introducing full convertibility of the rupee on the trade account. Much more needed to be done, however, before the economy could be put on the path to self-sustained growth and the benefits of development would percolate significantly to different segments of the population. India needed the continued cooperation of the developed countries, even while it was accelerating integration and linkages with economies in the South.

70. To that end, the maintenance of an open, non-discriminatory multilateral trading system based on rules was crucial. However, there had been no halting or reversing of protectionist trends in some of the major developed countries. His delegation hoped that a balanced, successful and early completion of the Uruguay Round would be possible.

71. On the debt front, while his delegation welcomed the formulation of various debt-reduction schemes, it felt that there was still a need for a concerted effort on the part of creditors, including the multilateral financial institutions, to find an early and durable solution to the debt problem. Such a solution should cover all types of debt while being sensitive to the specific problems and requirements of individual countries.

(Mr. Thakur, India)

72. With regard to sustainable development, he said that India attached great importance to the work of the Commission on Sustainable Development, and would like to stress that provision of additional financial resources and transfer of environmentally sound technology to developing countries were critical elements for the implementation of Agenda 21.

73. Several delegations had referred to the need to place human beings at the centre of development. India had done so from the beginning of its development process. The only question was whether or not the modality for that approach should be within the judgement of the sovereign nation, a concept that continued to be the essential basis for international cooperation. The World Summit for Social Development, therefore, should define a vision of development based on the right to food, work, education, health and shelter, but without conditionalities attached to cooperation. India had shown its commitment, throughout several decades, to the values of democracy, pluralism and the rule of law, and felt that all human rights - civil, political, economic, social and cultural - were universal and indivisible. His delegation was pleased that the Vienna Declaration had also recognized the right to development.

74. To further and deepen the development process, the international community should agree on an international framework that would facilitate stable and non-discriminatory access by developing countries to new technologies on reasonable terms. In addition, there should be a transparent and objective evaluation of the restrictions imposed on such technologies on grounds of "dual use".

75. The United Nations should play an enhanced role in working out an agenda for the development of developing countries since a narrow concern with peace and security was bound to be self-defeating unless supported by economic development. The availability of finance on an assured and stable basis was essential for the United Nations operational side, but any reform in that area should be consistent with the guiding philosophy of the Charter and the mandates of the various organs.

76. South-South cooperation was increasingly recognized as a necessary and viable strategy and thought should be given to how it could contribute effectively to economic take-off.

77. In conclusion, the need for an integrated approach to development should be stressed. Questions of debt, aid flows, trading environment, population and social development, to mention but a few, should all be pursued as part of an integrated package. At each conference, sets of agreed norms were worked out, but it was unclear whether there was a central unified strategy. The agenda for development should therefore be finalized at an early date.

78. Mr. KAARIA (Finland), speaking on behalf of the Nordic countries - Denmark, Iceland, Norway, Sweden and Finland - noted that, with a few exceptions, the outlook for the world economy was gloomy. Recession and high unemployment continued to prevail in the industrialized countries, particularly in Western Europe, and the world economy was further strained by the process of transition in the former centrally planned economies. One notable exception was the performance of a number of developing countries in South-East Asia; recent

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developments in some Latin American countries were also encouraging. The situation for the least developed countries, most of which were in sub-Saharan Africa, remained alarming; adjustment programmes produced results but only after a painfully long period of sustained effort and population was still growing faster than output, resulting in continued negative growth per capita.

79. Each country was responsible for its own economic and social development and thus for the policy adopted to achieve it. It was not merely a question of the policy chosen to induce and mobilize resources for development, however, but also a question of distributing the benefits. It was encouraging that many developing countries were giving a greater role to market-oriented policies and the private sector and that the need for good governance, respect for human rights and democracy was increasingly being recognized.

80. In an interdependent world, economic progress was also stimulated by an international environment conducive to development and it was more important than ever to induce confidence in the multilateral trading system and therefore to bring the Uruguay Round to a successful conclusion.

81. It was equally important to reduce the debt burden and, while the situation in Latin America had improved, most low-income countries in Africa were still tightly gripped by the crisis. In those countries, drastic action was needed for further debt reduction. Where there was a good track record of economic reform and adjustment the total stock of official or officially guaranteed bilateral debt should be reduced. The Nordic countries remained willing to grant those countries up to 80 per cent reductions in the stock of debt, although they recognized that debt problems should be considered in the appropriate forums.

82. In addition to sound national policies and a favourable international economic environment, official development assistance remained crucially important for the poorest developing countries.

83. In that general context, the Nordic countries believed that there were some priority issues before the Committee.

84. First, there was reform of the economic and social sectors of the United Nations. That undertaking was crucial, not only for the future of operational activities, but also as a test of the international community's ability to carry out meaningful reforms, the need for which seemed generally to be recognized. It was of the utmost importance also to send the right signal to decision makers and to the public at large. The Nordic countries were insisting on real reforms to ensure that their contributions were used to the optimum benefit of the developing countries, particularly the least developed countries. Competition between the channels to be used was, therefore, increasing and, unless United Nations funds and programmes were upgraded, the United Nations role in development aid would decrease further. The issue of new Executive Boards should be solved in the context of a broad discussion on the role, functioning and size of the Boards. The operational agencies really needed more efficient conduct of their executive bodies. Unless agreement was reached on the role of the new Boards vis-à-vis the Economic and Social Council and on how they should function in practice, it would be very difficult to find a balance between the

(Mr. Kaaria, Finland)

question of efficiency and that of representation. The developing country recipients in particular, especially the least developed among them, would suffer from any failure in that respect since there would be little hope of securing a sound financial base for the programmes and funds. Time was running out for that phase of reform. The Nordic countries would present further input to the continued discussions on the role, functioning and size of the Executive Boards.

85. The agenda for development was another area of high priority. The issue was complex and the Nordic countries had already given the Secretary-General their views on the structure of the agenda which should contribute to the creation of a clear and unified strategic framework for the United Nations system in the development field. The agenda for development would provide an opportunity to rethink development as a global issue encompassing countries in the North and in the South as well as those in transition. The broader concept of sustainable development had links with the protection of human rights and democratization as well as with political stability and peace. Account must also be taken of other organizations in the development field and the division of labour between them.

86. Humanitarian assistance was one area in which reforms had already been carried out. During its coordination segment, the Economic and Social Council had discussed how the coordination of humanitarian assistance and emergency relief functioned in practice between the various agencies involved, and had agreed on a set of specific recommendations. General Assembly resolution 46/182, which laid down the guiding principles and outlined the new tools for coordination, was still valid and the General Assembly should focus its deliberations on policy issues, the role of the Department of Humanitarian Affairs and the tools established in that resolution.

87. Sustainable development remained high on the list of priorities for the Nordic countries. The United Nations Conference on Environment and Development had been the starting point for the solution of complex and interdependent issues. The work had been continued in June at the first meeting of the Commission on Sustainable Development. The Commission had an important monitoring function with regard to implementation at both national and international levels. The spirit of Rio must be maintained and the notion of common responsibility upheld at the forthcoming important United Nations conferences on population and development and on women, as well as at the Social Summit. At those conferences, as at Rio, it would be necessary to think in terms of the interrelationships between population imbalances, poverty alleviation and environmental constraints. With the increasing gap between population growth and resource use, a large part of the world's population was excluded from economic and social development and also suffered from poverty and environmental degradation. It was essential for development to be people-centred. The Nordic countries believed that the advancement of women as agents of economic and social development was crucial.

88. The agenda for development would provide an opportunity for reviewing the concept of development and redefining the role of the United Nations, and the restructuring and revitalization of the Organization would provide it with the necessary tools to perform its role in that field.

89. Mr. CALOVSKI (Former Yugoslav Republic of Macedonia) said that there was general dissatisfaction with the world economic situation with respect both to current activities and to measures designed to improve the situation. However, for the clear reasons given by well-known experts and in the reports of UNCTAD, IMF, the World Bank and GATT among others, the international community did not yet seem prepared to take the necessary action to liberalize world trade and improve the world economic system. It was essential to promote the growth of the world economy, in particular by boosting demand, improving access to markets, liberalizing world trade in all sectors, solving the problems of international debt, improving access to financial markets and, in Europe, by speeding up integration, if the wish was truly to promote the effective international cooperation which was essential in the present economic environment. The economies of the developing countries and the countries in transition must not be allowed to deteriorate further or stagnate. Only development could create the necessary conditions for development. It was therefore essential for the international community to assist those countries in their development, and it was to be hoped that the United Nations would play a leading role in that endeavour, in which the work of the Second Committee could be very important.

90. The Republic of Macedonia was a developing country in transition and also a land-locked country. Its location in Europe and its work force offered enormous possibilities, but it could not use them to the full and needed the support of the international community and a more favourable climate conducive to development in the region. The country was experiencing enormous problems owing to the sanctions which the Security Council had imposed against Serbia and Montenegro. Because of the policy pursued by another country and the measures which the Security Council had decided to take under Article 41 of the Charter, there was a constant fear of economic collapse. The Republic of Macedonia fully shared the conviction that all States Members of the United Nations must abide by the provisions of the Charter, but at the same time it stressed that all the provisions of the Charter were of equal importance. In imposing sanctions against the Federal Republic of Yugoslavia (Serbia and Montenegro) the Security Council had not taken fully into account all the implications of Article 50 of the Charter, and the many efforts to secure implementation of Article 50, particularly those to help the most seriously affected countries, were not receiving due attention. The Republic of Macedonia was providing daily information about the losses suffered, as it had been advised to do, but it was receiving no aid and many factories had had to close.

91. The Republic of Macedonia was a land-locked country, so that the traditional route to West and Central Europe passed through Serbia, and the consequent need to ship its goods through Bulgaria, Romania or Greece made them much less competitive since the transport problems were often even further aggravated by the failure to resolve problems with the neighbour to the south. Furthermore, the problems of access to financial markets - for the question of the succession of the former Yugoslavia had not yet been fully settled - meant that the Republic of Macedonia had acquired debts of several million dollars. Despite numerous promises the problem had still not been solved.

92. The Republic of Macedonia was ready to be fully integrated in the European and world economies but the situation in its immediate surroundings was blocking its efforts. It had succeeded, without the loss of a single human life, in

(Mr. Calovski, Former Yugoslav Republic of Macedonia)

becoming an independent and sovereign State, an important factor for peace in the Balkans. It now had to overcome the enormous economic difficulties resulting from the United Nations sanctions against Serbia and Montenegro. Without the help of the international community the economic situation might become disastrous.

93. His delegation, together with a number of others, intended to submit a draft resolution on the implementation of Article 50 of the Charter, with a view to assisting the countries most seriously affected by the action taken by the Security Council under Article 41 of the Charter.

94. With regard to the particular problems of land-locked countries, the Republic of Macedonia was looking forward to the report which the General Assembly had requested from the Secretary-General in resolution 46/212. Together with other land-locked countries it hoped to be able to submit a draft resolution on the particular problems of such countries, inter alia to reaffirm the rights of access to the sea and freedom of transit.

95. As a country in transition, the Republic of Macedonia was also encountering all the problems with which other such countries were struggling every day. Some of the reforms which it had introduced had made considerable progress, especially with regard to the development of a market economy and privatization, which had been particularly successful in agriculture, services and small enterprises.

96. The Second Committee had a formidable task: to do as much as possible to secure the conclusion of the Uruguay Round before the end of the year; to help with the implementation of the commitments entered into at Rio; to prepare for the population conference at Cairo and the 1995 Social Summit; and to examine in depth the future agenda for development. The draft resolutions which the Committee was going to submit to the General Assembly should be action-oriented and drafted in a spirit of interdependence, taking fully into account the pressing needs of the economies of the developing countries, land-locked countries and countries in transition. It was important to do everything possible to ensure that the post-cold-war period did not become a period of political and economic conflicts.

The meeting rose at 12.35 p.m.